

# Texas State Affordable Housing Corporation

## People El Shaddai and St James Manor 2836 E. Overton Road and 3119 Easter Ave, Dallas, TX 75216

**Owner:** Steele St James Peoples LLC

**Date Built:** 1969 (St James) 1970 (People El Shaddai)

**Management Company:** Monroe Group Ltd.

**Property Manager:** Jamelah Silas and Christopher Edwards

**Inspection Date & Time:** December 10, 2023, at 9:00 a.m. **Inspector's Name:** Mercedes Dunmore

<b>Occupancy at Time of Report:</b>	94%	<b>Average Occupancy Over Last 12 Months:</b>	92.75%
<b>Number of Units: 200 (100 units at each property)</b>			
<b>Number of One Bedrooms:</b>	20 (Peoples) 20 (St. James)	<b>Number of Two Bedrooms:</b>	20 (Peoples) 40 (St. James)
<b>Number of Three Bedrooms:</b>	30 (Peoples) 30 (St James)	<b>Number of Four Bedrooms:</b>	30 (Peoples) 10 (St. James)

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?	X		
2) Is the community monument sign in acceptable condition?	X		
3) Is the perimeter fence surrounding the property in acceptable condition?	X		
4) Are the grounds and landscaping in acceptable condition?	X		
5) Are trees and shrubs properly trimmed?	X		
6) Are the grounds free of erosion, foot paths and tree root elevation?	X		
7) Are sidewalks clean and in good repair?	X – see comment		
8) Are parking lots clean, in good repair with handicap parking spaces clearly marked?	X – see comment		
9) Are all recreational, common areas and amenity areas clean, maintained, and accessible?	X		
10) Is facility equipment operable and in acceptable condition?	X		
11) Is the area around the waste receptacles clean and are the enclosures in good repair?	X		
12) Is the exterior of the buildings in acceptable condition?	X		
14) Are hallways/breezeways clean and maintained?			X
15) Are storage/maintenance areas clean, maintained and organized?	X		
16) Are building foundations in good repair?	X		
17) Are the gutters, downspouts, and fascia boards on the buildings in good repair?	X		
18) Do the building roofs appear to be in good condition?	X		
19) Do balconies and upper-level walkways appear to be in good condition?	X		
20) Do windows, blinds, doors, and trim appear to be in good condition?	X		
21) Is Management addressing all health, fire, or safety concerns on the property?	X		
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?	X		

**COMMENTS:** Based on the pictures provided by management, the properties (Peoples El Shaddai and Saint James Manor) appear to be in overall good condition. See observations.

**Observations:**

- **Curb Appeal:** The sidewalks and ground surrounding the trash compactor for both sites appear to be dirty and in need of cleaning. The parking lot and fire lanes are starting to fade, and a touch-up will soon be needed. Management advised they are currently working to obtain bids to take care of these issues. Management recommends management monitor these issues to ensure necessary repairs are made.
- **Average Occupancy over the last 12 months:** The reviewer is unable to determine the average occupancy for the last 12 months due to management submitting a report with combined occupancy. Management requests management keep property occupancy combined and separately moving forward.

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SECURITY PROGRAM Part I				
1) After review of the prior 3 months of police reports, the following incidents were noted and includes the number of times incidents occurred:				
Incident Type	# of Occurrences	Comments:		
Burglary	See finding			
Theft				
Criminal Mischief				
Personal Assault				
Drug Related Activity				
Gun Related Activity				
Domestic Violence				
Disturbance				
Other				
			YES	NO
2) Does the property utilize a crime prevention agreement?			X	
3) Does the property take pro-active measures to address crime on property? If so, add comment			X	
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.			X	
<b>COMMENTS:</b> Management states the property is monitored by a third-party company which has 28 security cameras collectively. Both properties also have Courtesy Officers who assist with issuing lease violations provided by management and conduct property walks and drives through the properties daily.				
<b>Finding:</b> <ul style="list-style-type: none"> <li>Management states the 911 call logs have been requested however were not received by the scheduled virtual review. Therefore, the Security Program section of this report could not be completed. It is important that management periodically request 911 call logs for the property to monitor activity on the property and issue lease violations, if necessary. Management must submit the requested 911 call logs once obtained to TSAHC by 02/17/2024. <u>Note, this was an observation in last year's report.</u></li> </ul>				

SECURITY PROGRAM Part II	YES	NO	N/A
1) Is the Staff trained to address crime on the property?	X		
2) Is the property free of graffiti and/or vandalism?	X		
3) Are criminal background checks being conducted on all residents over 18 years of age?	X		
4) Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?	X		
5) Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?	X – see comment		
<b>COMMENTS:</b> The most recent risk assessment has been conducted by R4 Capital in September 2023.			

OFFICE	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		
2) Are accurate office hours posted?	X		
3) Are emergency phone numbers posted?	X		
4) Are the EHO logos clearly posted?	X		
5) Are the following displayed in full view in the leasing office?			
➤ Fair Housing Poster	X		
➤ Occupancy Qualifications	X		
6) Is there a compliance department that ensures the set aside and eligibility requirements are being maintained?	X		
7) Does the property require licenses or permits?	X		
➤ Security alarm permits	X		
8) Are property licenses and permits renewed as required?	X		
9) Are vendor insurance records/binders properly maintained?	X		
10) Are vendors properly screened to ensure proper insurance documents are being maintained?	X		
11) Which of the following community amenities are provided for resident use?			
➤ Playground	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		

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➤ Laundry Facility	X		
➤ Business Center	X		
➤ Pool			X
➤ Other (Library at both properties)	X		
<b>COMMENTS:</b>			

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-5.	X		
2) Are all property keys properly coded?			X
3) Is key box locked and secured?	X		
4) Is the key code list kept separate from the key box?			X
5) Are locks being changed during unit turnovers?	X		
<b>COMMENTS:</b> The property uses HandyTrack key tracking system.			

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program that is being followed?	X		
2) Is the maintenance shop clean and organized?	X – see comment		
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?	X		
4) How often are Pest Control services provided? ➤ Pest control services are provided twice per month. One to three buildings are serviced at a time for each property.			
5) What is the policy for following up on completed service requests? ➤ The property staff calls to follow up with every resident to confirm the completion and satisfaction of all completed service request.			
6) What is the property's after-hours emergency policy? ➤ After-hours calls are answered by a third-party answering service. The answering services representative then contacts the Property Manager to delegate all emergency calls.			
7) What capital improvements have been scheduled or completed for this budget year? ➤ Both properties are in the process of having building exterior cleaning (i.e., pressure washing).			
<b>Detail of Ongoing Repairs and Replacements Completed in Last Budget Year</b>			
8) Unit Interior and Appliance upgrades ➤ Appliance upgrades were completed as needed.			
9) Building Exterior and Curb Appeal repairs ➤ Tree trimming took place within the last budget year.			
10) Amenity upgrades ➤ N/A			
11) Other repairs or replacements ➤ Roof repairs were completed as needed.			
Number of service requests received:	68		
Number of requests open from prior periods:	0		
Number of service requests completed:	45		
Number of service requests completed within 24 hours:	27		
Number of outstanding service requests:	23		
12) On average, how many days does it take to complete a work order? ➤ On average it takes maintenance roughly 3 days to complete a work orders.			
<b>COMMENTS:</b> Although the maintenance shop is organized, the maintenance shop floors appear to be obsessively dirty. Management is strongly encouraged to have the floors cleaned. Additionally, the number of outstanding work orders is due to staffing issues and management not currently completing workers at completion in the property management system.			
<b>Observation:</b>			
<ul style="list-style-type: none"> <li>Management is reminded to complete work orders in the property management system at the time of completion to maintain effective and efficient record keeping.</li> </ul>			

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MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$0	-	-
Resident Referral (Current/Prior)	\$0	-	-
Locator Service	\$0	-	-
Printed/Internet Advertising (Affirmative Fair Housing only)	\$0	-	-
Other Source	\$0	-	-
<b>TOTAL</b>	<b>\$0</b>	<b>-</b>	<b>-</b>
<b>The rental activity reflected in the above table was for the month of: 10/01/2023-11/8/2023</b>			
	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors nearby?	X		
4) Does the property "shop" their competitors?	X		
5) Does the property complete a market survey at least monthly?		X	
<b>COMMENTS:</b> Management stated that they do not have a budget for marketing expenses due to the property having a waitlist and receiving the traffic from the Housing Authority. They also do not track their traffic activity because of this. Management states market surveys are completed periodically.			

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 91%	6 months: 92%	12 months: 92.75%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	16.67%		
4) Are lease renewal notices sent to residents at the 120-day, 90-day, 60-day and 30-day timeframes prior the end of the lease contract? If not, comment below.	X		
5) Are rent increase notices sent to residents at least 30-days prior to the rent increase implementation?	X		
6) Are individual files being reviewed to determine renewal/non-renewal status?	X		
7) Are renewals and re-certifications tracked and monitored with property management software? I.e., Yardi, Onesite, or Owner/Agent created software?	X		
8) When was the last rent increase implemented? What was the average rent increase? > The most recent rental increase was implemented on May 1, 2023. for the rent for the one-bedroom increased \$14, the two-bedroom was \$50, and the three and four-bedrooms were \$70.			
9) How many households are currently on month-to-month leases? > N/A			
10) What is the charge for month-to-month leases? > N/A			
<b>COMMENTS:</b> The percentage of renewals noted above in question #2 reflect the total for both properties combined.			

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	14
2) Number of completed made ready units at time of activity report:	13
3) Number of completed one-bedroom units at time of activity report:	2
4) Number of completed two-bedroom units at time of activity report:	4
5) Number of completed three-bedroom units at time of activity report:	5
6) Number of completed four-bedroom units at time of activity report:	2
7) Number of uncompleted made ready units at time of activity report:	0
8) Number of uncompleted one-bedroom units at time of activity report:	0
9) Number of uncompleted two-bedroom units at time of activity report:	0
10) Number of uncompleted three-bedroom units at time of activity report:	0
11) Number of uncompleted four-bedroom units at time of activity report:	0

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Units Walked				
Unit #	Brief Description			
105B3	Ready			
142B16	Ready			
165A15	Ready			
112A3	Ready			
115A4	Ready completed make ready 11/13/23			
129A7	Ready			
Down Units Walked (units vacant and unready for extended period and all down units)				
Unit #	Brief Description			
N/A				
		YES	NO	N/A
1) Does the Unit Availability Report match the make ready board?			X – see comment	
2) Are units being turned in a timely manner?			X – see comment	
3) Are there any down units?			X	
4) Are there vacant units that have been vacant for an extended period? If so, please comment below.			X	
5) Is management utilizing property software (i.e., Yardi, Onesite, or an owner/agent created) to monitor the timely preparation of units? If not, comment.		X		
6) How often are occupied units inspected? ➤ Occupied units are inspected: Quarterly				
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly				
8) How many vacant units are in progress of being made ready? ➤ N/A - all vacant units are made ready.				
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is to turn units within ten days. However, site management's internal goal is to turn units within one to three business days.				
<p><b>COMMENTS:</b> The number of vacant units reflect the total for both properties combined. During the virtual review, the reviewer noticed the make ready board was inaccurate. Management is reminded to update the make-ready board as units are made ready. Per management, some units were not made ready in a timely manner due to staffing and supplies issues which caused the delay. Management states with the new Property Manager, the make-ready units became the first priority and were completed as soon as possible. Lastly, management states unit make readies that do not require a lot of work are completed in house. Make readies that require extensive work are contracted out. All flooring is completed with a flooring vendor.</p> <p><b>Observation:</b></p> <ul style="list-style-type: none"> <li>Management is reminded to update the software program with all make ready information. Once a unit is made-ready for the general public, management must mark the unit "ready" in the computer system to allow for accurate record keeping.</li> </ul>				

BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited to obtain materials, supplies, and services?					X		
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? If so, comment below.						X – see Finding	
3) Explain YTD variances of 10% of greater in the chart below.							
Expense Items that Varied by 10% or Greater from the Budget for Year-to-Date Operations Ending							
(Please note that a positive variance is under budget and a negative variance is over budget.)							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
See finding.							
<b>COMMENTS:</b>							

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**Finding:**

- Management did not provide a current budget comparison; therefore, the reviewer was unable to determine the expense items that varied more than 10% for the Year-to-Date Operations. Management must provide TSAHC with budget comparison report for November 2023 no later than 02/17/2024.

REVENUE			
FOR THE MONTH ENDING:		YEAR TO DATE AS OF:	
Gross Potential	See Finding below.	Gross Potential	
Budgeted Rental Income		Budgeted Rental Income	
Actual Rental Income Collected		Actual Rental Income Collected	
Variance + (-)		Variance + (-)	
Other Revenue		Other Revenue	
Total Budgeted		Total Budgeted	
Total Collected		Total Collected	
Variance + (-)		Variance + (-)	

**COMMENTS:**

**Finding:**

- The reviewer was unable to determine the month end and year to date revenue, due to management not providing the budget comparison report. Management must provide TSAHC with an updated budget comparison report for November 2023 no later than 02/17/2024.

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?	X		
2) Is the property in good standing with all vendors?	X		
3) Are invoices processed weekly?	X		
<b>COMMENTS:</b> This section was completed by using the Vendor Aging AP report dated 10/31/2023. Based on the review of the report, 80% of the total balance is due to unpaid ownership payments.	0-30 Days:		\$57,782
	30-60 Days:		\$26,947
	60 Days and Over:		\$10,123
	TOTAL		\$94,852

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?			
2) What is the rent collection policy?			
➤ Rent is due on the 1st of every month and late on the 6th with an initial late fee of \$5 and \$1 after until rent is paid in full. Maximum of late fee is \$30 per month.			
3) When is legal action taken against delinquent accounts?			
➤ Legal actions are taken on the 10 <sup>th</sup> of the month for any delinquent tenants who have failed to respond to delinquent notices and failed to sign or commit to payment agreement notices.			
4) Does the property currently have any resident(s) under eviction?	X – see comment		
5) Does Housing have any outstanding balances?		X	
<b>COMMENTS:</b> This section of the report was completed by using the Delinquent and Prepaid report dated 11/30/2023. Management states they currently have three residents under eviction. Additionally, management states the Salvation Army has been working to assist delinquent residents. It is evident the policy for rent collections is not being followed resulting in large delinquencies doubling since the last review. Management advised this is due to the absence and frequent turnover of the Property Managers.	0-30 Days:	\$35,662	
	30-60 Days:	\$27,908	
	60 Days and Over:	\$127,116	

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**Finding:**

- Due to the extensive delinquencies, Management must provide TSAHC with a certification detailing the total number of residents who have paid the full balance, the number who have entered into a re-payment agreement, the number of residents that are in the eviction process, the number of residents which have received ledger corrections, and provide additional efforts made to decrease the amount of delinquent rent no later than 02/17/2024.

TOTAL

\$172,388

## RETURNED CHECKS

YES

NO

N/A

- Total number of returned checks in the past 3 months:
- Has the manager collected and deposited all returned checks?
- Is the manager following company policy on returned checks?

0

X

X

**COMMENTS:**

## PERSONNEL

YES

NO

N/A

- Does owner/agent have a system/procedure for providing field supervision of on-site personnel?
- Does the property appear to be adequately staffed?
- Is overtime being controlled?
- Were requested pre-audit reports submitted on time?
- Does it appear that personnel are team oriented?
- Was management staff prepared for the site visit?
- Has staff turnover occurred since the last site review?
- Are weekly staff meetings held?
- Have personnel been trained in Fair Housing?
- List training staff has received in the past year.
  - Fair Housing Cyber Awareness training

X

X – see comment

X

X

X

X

X

X

X

X

**COMMENTS:** Management advised they are currently experiencing staffing shortages at each property. People El Shaddai is operating with a temporary maintenance technician and a porter whereas Saint James Manor has been without a consistent property manager since July 2023. Both properties have also lost the maintenance staff which includes the lead maintenance, assistant maintenance, and the porter.

## OWNER PARTICIPATION

YES

NO

N/A

- Does the owner have access to the software system utilized to manage the property?
- Is site management required to submit weekly reports to the owner?
- Are the funds for needed capital improvement items, turning of units, and marketing campaigns released by the owner according to what has been budgeted?
- What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds?
  - Any amount over \$2,000 requires ownership approval prior to any purchases being made.

X

X

X

**COMMENTS:**

## SUMMARY OF OBSERVATIONS AND FINDINGS

**Observations:**

- Curb Appeal:** The sidewalks and ground surrounding the trash compactor for both sites appear to be dirty and in need of cleaning. The parking lot and fire lanes are starting to fade, and a touch-up will soon be needed. Management advised they are currently working to obtain bids to take care of these issues. Management recommends management monitor these issues to ensure necessary repairs are made.
- Average Occupancy over the last 12 months:** The reviewer is unable to determine the average occupancy for the last 12 months due to management submitting a report with combined occupancy. Management requests management keep property occupancy combined and separately moving forward.
- Management is reminded to complete work orders in the property management system at the time of completion to maintain effective and efficient record keeping.
- Management is reminded to update the software program with all make ready information. Once a unit is made-ready for the general public, management must mark the unit “ready” in the computer system to allow for accurate record keeping.

**Findings:**

- Management states the 911 call logs have been requested however were not received by the scheduled virtual review. Therefore, the Security Program section of this report could not be completed. It is important that management periodically request 911 call logs for the property to monitor activity on the property and issue lease violations, if necessary. Management must submit the requested 911 call logs once obtained to TSAHC by 02/17/2024. Note, this was an observation in last year’s report.



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- Management did not provide a current budget comparison; therefore, the reviewer was unable to determine the expense items that varied more than 10% for the Year-to-Date Operations. Management must provide TSAHC with budget comparison report for November 2023 no later than 02/17/2024.
- The reviewer was unable to determine the month end and year to date revenue, due to management not providing the budget comparison report. Management must provide TSAHC with an updated budget comparison report for November 2023 no later than 02/17/2024.
- Due to the extensive delinquencies, Management must provide TSAHC with a certification detailing the total number of residents who have paid the full balance, the number who have entered into a re-payment agreement, the number of residents that are in the eviction process, the number of residents which have received ledger corrections, and provide additional efforts made to decrease the amount of delinquent rent no later than 02/17/2024.





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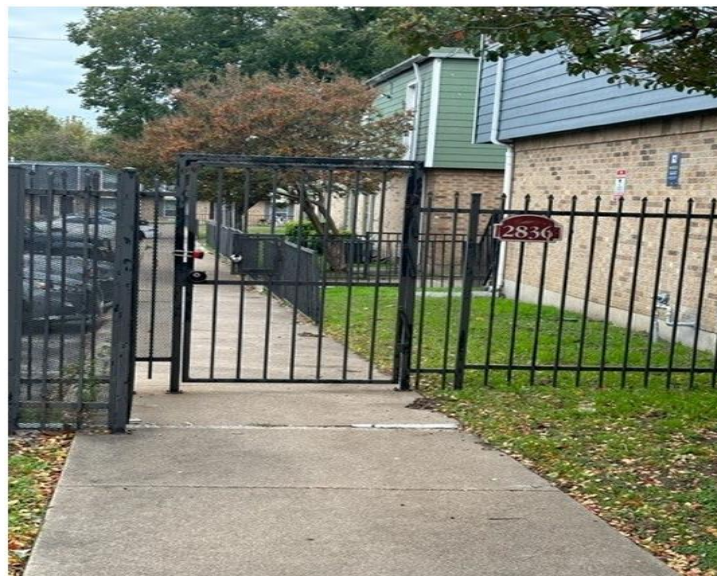


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